

**UNAPPROVED MINUTES
CITY OF MILPITAS**

Meeting Minutes: Regular Meeting of the Redevelopment Agency *(Including Joint Meeting with the City Council)*
Date of Meeting: July 5, 2005
Time of Meeting: 7:00 PM
Place of Meeting: City Hall Council Chambers, 455 E. Calaveras Blvd.

Chair/Mayor Esteves called to order the regular meeting of the Milpitas Redevelopment Agency, meeting jointly with the City Council, at 8:32 PM.

Present were Chair/Mayor Esteves, Vice Chair/Vice Mayor Gomez, and Agency/Councilmembers Livengood, Giordano and Polanski

MOTION to approve the Redevelopment Agency minutes of June 21, 2005, including joint meeting with the City Council, as submitted.

Motion/ Second: Agency/Councilmember Polanski / Vice Chair/Vice Mayor Gomez

Motion carried unanimously by a vote of: AYES: 5
NOES: 0

MOTION to approve the Agenda as submitted.

Motion/Second: Agency/Councilmember Polanski / Agency/Councilmember Giordano

Motion carried unanimously by a vote of: AYES: 5
NOES: 0

Principal Housing Planner Felix Reliford presented this project, and introduced staff members from the Mid Peninsula Housing Coalition, the proposed developer of the senior housing facility.

Mr. Reliford spoke on four main issues with regard to the Project:

1. Proposed Site Development Plan
2. Extension of the Exclusive Negotiation Agreement
3. Proposed Costs of Senior Housing Project
4. Naming of the Senior Housing Project

The structure will be located at the DeVries/Smith home site, with four stories containing up to 103 units total: 1 Studio, 88 one bedroom, 10 two bedroom and 1 manager unit. Also, three units are proposed on the second floor of DeVries House.

Plans call for 15,000 square feet outdoor common area, including a roof top patio. Rents projected will be designed at 25% to 40% of Area Median Income, for low or extremely low income residents (on HUD scale).

Status of Exclusive Negotiation Agreement

Mr. Reliford explained that it had been extended twice, and now it would be extended to August 31 in order to return next month, at the request of the developer. Ongoing negotiation with the County regarding the new healthcare facility adjacent to the site was occurring. Also, legal boundaries must be finally established and this was underway, in

order to bring the Development Agreement to Council on August 16. January 2008 was the estimated date for completed construction of project.

Mayor Esteves asked Mr. Reliford about dates of construction and any possible conflict with the City's library project starting at the same time. Coordination would be necessary, staff acknowledged.

Summary of Projected Costs

Some unknown costs when started were now determined: \$1.6 million to relocate and renovate the DeVries house. He detailed the fact that construction costs in Santa Clara County were going up considerably, reviewing cost per square foot, and were likely to increase in future. He reminded Council that infrastructure and street improvement cost increases may be significant, too.

Costs were reviewed with a \$27.6 million dollars total project cost at this time. That number included \$1.6 million for the DeVries home and \$5.8 million for local street and utility improvements and permits/fees.

Funding was due for the project as follows: \$12 million from Mid Peninsula Housing Coalition, \$9.6 from the Milpitas Redevelopment Agency, \$5 million from KB Homes, and \$1 million from Santa Clara County. What happens if costs go up? asked Vice Mayor Gomez. Mr. Reliford replied that those probably will go up, and the City and developer would need to locate other funding sources and he'd return to the City Council.

Vice Mayor Gomez inquired about costs related to the DeVries house. How would that differ from tearing down the house and having Mid Peninsula build a new building there? Mr. Reliford was not prepared with an analysis of that idea, but he guessed that perhaps more senior units could be built.

Mayor Esteves asked if it would be any cheaper to tear down the DeVries house and build something brand new from scratch? Fran Waxman, President of Mid Peninsula Housing, responded that community space was planned at the home, and so there would not be an even trade of old for new. The rehabilitation of the house was about \$200/ft (vs. \$125 estimate for brand new), so the cost to do that work was more than to build brand new. It was up to the City Council to consider the historic value of the house, she stated.

Councilmember Livengood asked if the dollars for the project are static contributions? Mr. Reliford responded positively. Mr. Livengood expressed concern that any increased cost amounts would then have to come from the Agency, and preferred to set firmly the contribution from the RDA, with no more increase permitted. He did not want all cost increases on the back of the taxpayers. With a set dollar amount contributed for the project, negotiation would be needed or to scale back the project, if necessary.

Vice Mayor Gomez inquired the concept of scaling back (if costs increase too much) and wanted to hear from the City Attorney whether reducing the number of units in the project would be okay under the adopted Environmental Impact Report? The City Attorney said the City could reduce number of units in the main building, but there might be other implications for Mid Peninsula Housing then.

Proposed Naming of Project

Mr. Reliford explained that the staff was requested to forward the four names suggested by Mid Peninsula to the Facility Naming Committee, then submit the selection to the City Council for review and decision. The four recommended names are: DeVries Court, DeVries Place, Orchard Court, and Orchard Place (reflecting the previous owner and/or previous uses of the property).

MOTION: to move the project forward, to set the Agency's commitment to the project at \$9.6 million total, to refer names as suggested to Community Facility Naming Committee which would return with its recommendation to the City Council.

Motion/Second: Agency/Councilmember Livengood / Vice Chair/Vice Mayor Gomez

Motion carried unanimously by a vote of:

AYES: 5

NOES: 0

RA6. Receive Progress Report on Library, Midtown East and West parking garages

Capital Improvements Program Manager Mark Rogge presented the progress reports. For the new library, the design development update was presented. On the Midtown Parking structures, the garage concept plan and preliminary cost estimates were to be given. He mentioned that the library project continued a little bit ahead of schedule while the parking garages were on schedule.

Mr. Rogge provided a lengthy list of design development phase actions, including stack layout, seating, and interior layout among others. On the exterior, they are working to refine elevation, sun studies (no glare problems), efficient structure and floor layout. Mr. Rogge displayed a diagram of the newest layout locations for self check-out, online book reservations, books on hold and other library tasks in order to accommodate the best flow of foot traffic.

A preview of the "solar analysis" was provided, with an explanation of its purpose to reduce sun as a detriment, reduce energy during daytime, not create excessive heat gain and reduce glare.

For the Midtown Garages, Mr. Rogge showed diagrams of the concept plans. East garage was planned as a four-story structure with 290 parking spaces, while the West garage was planned as four story with 300 spaces and some retail space. Conveniences of the garage design were displayed on screen. Costs to date were "right on target" at this time. Three entry/exits on main floor of East garage.

Councilmember Livengood pointed out the staircase on the outside of garage. Was there a way of internalizing that, he asked? Developer representative Jeff Adams answered that it could be considered.

Reviewed costs of \$12.5 million and \$13.5 million for the East and West garages respectively. Councilmember Livengood inquired about the figure of \$27,000 for each of 275 parking spaces. He stated that the City needed to continue to negotiate with the County on these spaces, particularly since costs were likely to go up, and that the County needs to chip in fairly for its portion of the parking spaces. He stated that Milpitas should tell the County it will cost more to build first 270 spaces.

Disposition and Development Agreement (DDA) was not finalized yet, and the City and County are under discussion about this document.

Regarding a request to consider adding a banquet facility on the top floor, it would be quite expensive, and there wouldn't be enough room on the first floor, according to Mr. Rogge. The subcommittee was not in favor of continued consideration of this added feature, due to increased costs.

The next presentation on this topic would be at the August 2 Council meeting – the Refined Garage Concept & Cost Plan for Council's approval, upon recommendation by the Library Subcommittee.

MOTION: to receive and file the staff report.

Motion/Second: Agency/Councilmember Livengood / Vice Chair/Vice Mayor Gomez

Motion carried unanimously by a vote of:

AYES: 5

NOES: 0

***RA7. Approve Purchase Order for Meyers Nave in the Amount Of \$150,000 for Public Works Litigation Expenses**

Approved Purchase Order for Meyers, Nave in the Amount of \$150,000 for Public Works Litigation Expenses for Fiscal Year 2004-05 and Approved Appropriation of \$150,000 from the Redevelopment Agency Undesignated Reserve to the City Attorney's Department Supplies and Services Budget for Fiscal Year 2004-05

***RA8. Adopt Resolutions Approving The Annual Investment Policy**

Adopted Resolutions No. 7540 Approving the City's and No. RA 241 the Redevelopment Agency's Annual Investment Policy.

**RA9.
ADJOURNMENT**

There being no further Redevelopment Agency business, Chair/Mayor Esteves adjourned the Redevelopment Agency meeting at 9:32 PM.

Respectfully submitted,

Mary Lavelle
Agency Secretary / City Clerk